

To the Members of the California State Senate:

I am returning Senate Bill 1764 without my signature.

This bill prohibits a city or county, in the event of a wildfire, from receiving full reimbursement from the state for disaster-related costs, unless that city or county has obtained certification from the Department of Forestry and Fire Protection (CAL FIRE) for specified fire protection requirements.

When a fire disaster occurs, it is vital that all levels of government commit resources to protect public health and safety. Local governments should have incentives to increase prevention, but they should also have incentives to respond to a disaster whenever one might occur.

Current law correctly requires local governments to have adopted an overarching Local Hazard Mitigation Plan and submitted it to the state to receive 100% of their California Disaster Assistance Act funding. This type of broad based planning is appropriate and serves a dual purpose because federal grant distribution is also based on those plans. By preventing a local government from receiving reimbursement from the state unless they meet the specifications of this bill, it provides a perverse incentive for areas that might not have met the bill's requirements, even for technical reasons.

A more appropriate fiscal incentive program would not focus on holding hostage funds already expended in an emergency, but would provide both local and state funding to reward disaster preparation and prevention. The Emergency Response Initiative I proposed in this year's budget would have done so. As I proposed, this initiative would have provided \$139 million each year to initially increase our disaster response capabilities. This could have been expanded to provide financial incentives, through grants to local governments, for increasing disaster prevention activities as well. Unfortunately, the Legislature rejected this proposal.

Nonetheless, I look forward to working with the Legislature in the next session to continue to look for new ways to fund both disaster prevention and response activities.

For these reasons, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger